

Michigan IV-D Child Support Manual

Department of Human Services

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1. Overview

The new hire reporting program began in October 1997 with the enactment of the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193). New hire reporting provides child support agencies an efficient means of locating individuals, determining individuals' sources of income, and obtaining information for the purposes of establishing paternity and establishing, modifying, and enforcing support obligations.¹ In particular, new hire reporting expedites the issuance of income withholding notices and *National Medical Support Notices* (NMSNs) to employers.² Each state child support agency operates a new hire program through a State Directory of New Hires (SDNH) and shares new

¹ Ref: Social Security Act section 453A(h).

² Ref: [Michigan IV-D Child Support Manual Section 6.03, "Income Withholding"](#) and [Section 6.06, "Medical Support"](#) for details regarding the issuance of income withholding notices and NMSNs in response to a new hire report.

hire information through the Federal Parent Locator Service's (FPLS's) National Directory of New Hires (NDNH).³ In Michigan, the Office of Child Support (OCS) is the IV-D agency that administers the state plan for child and spousal support (i.e., the state IV-D plan) as well as the SDNH that is required under the state IV-D plan.⁴ While the names "State Directory of New Hires" and "National Directory of New Hires" imply that these directories only contain information about new hires, both contain new hire, quarterly wage, and unemployment insurance information.

1.1 Definition of Newly Hired Employee

Federal statutes define a newly hired employee as an employee who has not been previously employed by the employer, or an employee who was previously employed by the employer but has been separated from that prior employment for at least 60 consecutive days (also called a rehire).⁵

1.2 Disclosure to and Use of New Hire Information by Programs Other Than Child Support⁶

Because the SDNH is administered by OCS under the state IV-D plan, OCS and all staff contracted to do IV-D work have a responsibility to ensure the secure, authorized and appropriate use of the information entered into and received by the SDNH. IV-D staff must not disclose information contained within the SDNH except as authorized for specific purposes by law and/or regulation.

Employers use new hire information to reduce and prevent fraudulent unemployment and workers' compensation payments. State agencies with access to new hire reports cross-match new hire data against their active workers' compensation and unemployment insurance claimant files to identify erroneous payments. State agencies also use new hire information to verify eligibility for programs such as cash assistance, Medicaid and food assistance. Authorized disclosures and uses of information reported to and collected by the SDNH as well as information that has been received by the SDNH from the NDNH are as follows:

1.2.1 Information Reported to and Collected by the SDNH

Federal statutes⁷ require the state to provide access to new hire information that has been reported to and collected by the SDNH to state

³ Ref: the federal Office of Child Support Enforcement's [Federal Parent Locator Service \(FPLS\)](#) web page and [A Guide to the National Directory of New Hires](#) for information about the FPLS and NDNH.

⁴ Ref: Social Security Act section 454(28).

⁵ Ref: Trade Adjustment Assistance Extension Act of 2011 (Public Law 112-40), Social Security Act section 453A(a)(2)(C), and 42 United States Code (USC) 653a(a)(2)(C).

⁶ Ref: [Michigan IV-D Child Support Manual Section 1.10, "Confidentiality/Security,"](#) for additional details regarding information disclosure.

⁷ Ref: Social Security Act section 453A(h) and section 1137(b).

agencies administering the following programs, for the purpose of verifying program eligibility:

- Aid to the Blind (Social Security Act Title X);
- Aid to the Permanently and Totally Disabled (Social Security Act Title XIV);
- Employment security;
- Medical assistance programs, including Medicaid (Social Security Act Title XIX);
- Old-Age Assistance for the Aged (Social Security Act Title I);
- Supplemental nutrition assistance (Food and Nutrition Act of 2008);
- Supplemental Security Income for the Aged, Blind, and Disabled (Social Security Act Title XVI);
- Temporary Assistance for Needy Families (Social Security Act Title IV-A);
- Unemployment compensation (section 3304 of the Internal Revenue Code of 1954); and
- Workers' compensation.

1.2.2 Information Received by the SDNH from the NDNH

Federal regulations authorize the IV-D agency to disclose, without independent verification, the information that the state IV-D program has received from the NDNH to:

- The state agencies administering the Child and Family Services (Social Security Act Title IV-B) and federal Foster Care and Adoption Assistance (IV-E) programs for the purpose of locating parents and putative fathers and establishing parentage or establishing parental rights with respect to a child; and
- The state IV-A, IV-B and IV-E agencies for the purpose of assisting the state in carrying out its responsibilities to administer the IV-A, IV-B, and IV-E programs.⁸

2. Employer Requirements

2.1 Reporting Newly Hired Employees

Federal statutes require employers to report each newly hired employee to the SDNH of the state in which the employee works.⁹ If a newly hired employee's principal place of employment is Michigan, an employer must report the newly hired employee to Michigan's SDNH unless the employer is a federal

⁸ Ref: 45 Code of Federal Regulations (CFR) 303.21 and 45 CFR 307.13.

⁹ Ref: Social Security Act section 453A(b)(1)(A) and 42 USC 653a(b)(1)(A).

government employer or is a multi-state employer that has registered to report to a state other than Michigan.

2.2 Multi-State Employers

An employer that employs workers in two or more states and transmits reports magnetically or electronically may register with the [United States Department of Health and Human Services, Office of Child Support Enforcement](#) as a multi-state employer. A multi-state employer then designates a single state to which all of its newly hired employees will be reported.¹⁰

2.3 Employees Working in Michigan

Unless it is a multi-state employer that has registered to report newly hired employees to a state other than Michigan, an employer with employees working in Michigan must report to:

Michigan New Hires Operation Center
P.O. Box 85010
Lansing, MI 48908-5010

Phone: (800) 524-9846
Fax: (877) 318-1659
Website: <http://www.mi-newhire.com>

The Michigan New Hires Operation Center (Operation Center) is administered by the Office of Child Support (OCS) and the Department of Technology, Management & Budget.

2.4 Federal Government Employers

Unlike private sector employers, federal government employers (e.g., the Administration for Children and Families, the Department of Health and Human Services, the Social Security Administration, etc.) report new hires directly to the NDNH.¹¹

Individuals who are not federal agency employees but receive benefit income through those federal agencies are not reported as new hires to the NDNH. Several federal agencies report benefit income to the Federal Case Registry, which reports that information to the states through the FPLS. For example, Social Security benefits are reported through the State Verification and Exchange System (SVES).¹²

¹⁰ Ref: Social Security Act section 453A(b)(1)(B) and 42 USC 653a(b)(1)(B).

¹¹ Ref: Social Security Act section 453A(b)(1)(C) and 42 USC 653a(b)(1)(C).

¹² Ref: [Michigan IV-D Action Transmittal 2007-029, Implementation of the State Verification Exchange System \(SVES\) Program in the Data Warehouse Business Objects](#) for details regarding the SVES.

2.5 Reporting Time Frame

Federal statutes require employers to report new hires within 20 days of hire (the date an employee first performed services for pay) unless the employer submits the reports magnetically or electronically. If the employer transmits new hire reports magnetically or electronically, the employer must transmit them twice a month (if necessary, based on the volume of new hires or whether the employer has a new hire to report). The transmissions must not be less than 12 days nor more than 16 days apart.¹³

2.6 Required Information

Federal statutes require employers to report the following information for each newly hired employee:

- The employee's name;
- The employee's address;
- The employee's Social Security number (SSN);
- The employee's date of hire;¹⁴
- The employer's name;
- The employer's address; and
- The employer's Federal Employer Identification Number (FEIN).

The Operation Center will reject a new hire report and contact the employer or return the report to the employer if it does not include the required information. The employer must then provide the required information by resubmitting the new hire report.¹⁵

3. Federal Requirements for States

3.1 Operation of a State Directory of New Hires (SDNH)

Federal statutes require each state to operate an SDNH.¹⁶ In Michigan, MiCSES is the SDNH. It receives new hire reports from the Operation Center and performs the required SDNH functions. The Operation Center collects new hire reports from employers and must transmit a report to the SDNH within five business days of receiving it from the employer.

¹³ Ref: Social Security Act section 453A(b)(2) and 42 USC 653a(b)(2).

¹⁴ The employee's date of hire became required new hire reporting information effective June 8, 2011 as enacted in section 802 of the federal Claims Resolution Act of 2010 (Public Law 111-291). This act amended the new hire reporting provisions of section 453A(b)(1)(A) of the Social Security Act.

¹⁵ Ref: Subsections 5, "Employer Compliance" and 5.2, "*New Hire Report Rejection Letter* (DHS-1017)" in this manual section for further details. Effective October 1, 2011, the Operation Center began returning new hire reports missing a date of hire.

¹⁶ Ref: Social Security Act section 453A(a)(1) and 42 USC 653a(a)(1).

One exception to the Operation Center transmitting new hire reports to the SDNH is duplicate reports. If an employer submits two reports for the same employee (i.e., the same FEIN and SSN) within 60 calendar days, the Operation Center considers the reports to be duplicates and will not transmit the second report to MiCSES.¹⁷

3.2 Matching New Hire Information and Transmitting It to the State IV-D Agency

Federal statutes require the SDNH to compare the SSNs of the individuals reported as new hires to the SSNs of the individuals in the state's IV-D case registry and provide information from matched new hire reports to the state IV-D agency.¹⁸ MiCSES, as the SDNH, receives the new hire reports directly from the Operation Center and performs this comparison on a daily basis.

3.3 Transmitting New Hire Reports to the NDNH

Federal statutes require the SDNH to transmit each new hire report to the NDNH within three business days of receiving the report.¹⁹ Upon receiving new hire reports, MiCSES, as the SDNH, automatically transmits them to the NDNH regardless of whether they match to a case member in MiCSES.

3.4 Receiving and Using New Hire Reports From the NDNH Through the FPLS

Federal statutes require the IV-D program to use the FPLS to obtain employment and other income information "for the purpose of establishing parentage, establishing, setting the amount of, modifying, or enforcing child support obligations...."²⁰ MiCSES receives new hire reports from the NDNH through the FPLS on a daily basis as the result of proactive matching and as a response to locate requests.²¹

3.5 Sending an *Income Withholding for Support* Notice to the Employer

Federal statutes require the IV-D program to issue an income withholding notice within two business days of a new hire report being entered into the SDNH or received from the NDNH through the FPLS unless an exception to income withholding applies.²² Refer to *Michigan IV-D Child Support Manual* Section 6.03 regarding the requirement to send an *Income Withholding for Support* notice to the employer.

¹⁷ Effective April 21, 2012, OCS changed the duplicate report criterion from 90 days to 60 days.

¹⁸ Ref: Social Security Act section 453A(f) and 42 USC 653a(f).

¹⁹ Ref: Social Security Act section 453A(g)(2)(A) and 42 USC 653a(g)(2)(A).

²⁰ Ref: Social Security Act, section 454(8).

²¹ Ref: [Income Withholding](#), [Other Party Information \(OTHP\)](#), and [Locate](#) documentation on mi-support for technical details regarding system actions for employment and locate status updates.

²² Ref: Social Security Act, sections 453A and 466(19)(B)(iii); and 45 CFR 303.100.

3.6 Sending a *National Medical Support Notice* (NMSN) to the Employer

Federal statutes and regulations require the IV-D agency to send a NMSN to the employer within two business days of a new hire report being entered into the SDNH for:

- A non-custodial parent (NCP) who is obligated to provide health care coverage for the child(ren); and
- A custodial party (CP) who is obligated to provide health care coverage for the child(ren).²³

Michigan law requires that a NMSN be sent within two business days of any employer being identified for any party (CP or NCP) who is ordered to provide health care coverage.²⁴ Identifying an employer includes receiving a new hire report from the NDNH through the FPLS. Refer to *Michigan IV-D Child Support Manual* Section 6.06 regarding the NMSN and health care coverage requirements.

4. IV-D Staff Access to New Hire Information

IV-D staff may access the new hire report information in:

- Business Objects reports; and
- MiCSES on the *Member Employment History* (EHIS) and *Member Employment List* (ELST) screens.

5. Employer Compliance

The Operation Center performs employer outreach and several functions to encourage employers' compliance with new hire reporting requirements. These efforts include:

- Validation of illegible, invalid, and/or missing data on a new hire report;
- Monitoring employer new hire reporting trends and identifying employers that have potentially failed to report newly hired employees; and
- Matching new hire reports with quarterly wage reports to identify employers that have potentially failed to report newly hired employees.

The Operation Center uses the following letters as part of the employer compliance process.

5.1 *New Hire Reporting Proactive Compliance Letter* (DHS-1014)

²³ Ref: Social Security Act section 466(19)(B)(iii) and 45 CFR 303.32; this may be done at the state's option, and Michigan has opted to include CPs.

²⁴ Ref: Michigan Compiled Law (MCL) 552.626.

The Operation Center sends this letter to an employer when the employer lapses in its new hire reporting. The letter identifies the number of new hire reports the Operation Center has received from an employer and processed over the last six months.

It asks employers to compare this new hire information against what the employer has in its records. If an employer's records do not match the number of new hires identified in the letter, the employer must submit a report for each unreported new or rehired employee. Employers may submit reports to the Operation Center online, via mail or fax, or through an electronic transmission. If the employer's records match the number of new hire reports shown in the letter, no further action by the employer is required.

The letter also lists the new hires identified under one FEIN for the employer. If the employer reports new hires under several FEINs, the new hire numbers may not match the total number of new hires for all of the employer's FEINs. The letter suggests that the employer use the same FEIN for reporting the individual for quarterly wages and for reporting the individual as a new hire.

5.2 *New Hire Report Rejection Letter (DHS-1017)*

The Operation Center sends this letter to an employer when the Operation Center cannot process the employer's new hire report because some of the required information is missing, invalid, or unreadable and the employer cannot be reached by telephone to obtain the information. The letter asks the employer to correct or complete the new hire information by making the correction(s) or addition(s) on the enclosed form. Employers may fax or mail completed forms to the Operation Center. Employers may also call the Operation Center to make the correction(s) or submit the correction(s) in the next electronic file submission.

5.3 *New Hire Reporting/Quarterly Wage Match Compliance Letter (DHS-1018)*

The Operation Center sends this letter to notify employers that they potentially did not report new hires. Employers may receive this letter if they report new hires using a different name or FEIN than is used for their quarterly wage reports, or if their company has several FEINs under which they report.

The letter asks employers to call the Operation Center to provide their new hire reporting status. Operation Center staff will assist employers in ensuring all new hires and rehires are reported properly. If employers have not reported new hires to the Operation Center, they may submit reports online or by mail, or fax them to the Operation Center.

SUPPORTING REFERENCES:

Federal

42 USC 653a
42 USC 653a(a)(1)
42 USC 653a(a)(2)(C)
42 USC 653a(b)(1)(A)
42 USC 653a(b)(1)(B)
42 USC 653a(b)(1)(C)
42 USC 653a(b)(2)
42 USC 653a(e)
42 USC 653a(f)
42 USC 653a(g)(2)(A)
45 CFR 303.21
45 CFR 303.32
45 CFR 303.100
45 CFR 303.100(e)
45 CFR 307.13
Section 802 of the Claims Resolution Act of
2010 (Public Law 111-291)
Personal Responsibility and Work Opportunity
Reconciliation Act of 1996 (Public Law
104-193)
Social Security Act section 453A
Social Security Act section 453A(a)(1)
Social Security Act section 453A(a)(2)(C)
Social Security Act section 453A(b)(1)(A)
Social Security Act section 453A(b)(1)(B)
Social Security Act section 453A(b)(1)(C)
Social Security Act section 453A(b)(2)
Social Security Act section 453A(e)
Social Security Act section 453A(f)
Social Security Act section 453A(g)(2)(A)
Social Security Act section 453A(h)
Social Security Act section 454(8)
Social Security Act section 454(28)
Social Security Act section 466(19)(B)(iii)
Social Security Act section 1137(b)
Trade Adjustment Assistance Extension Act of
2011 (Public Law 112-40)

State

MCL 552.626

REVISION HISTORY:

[IV-D Memorandum 2014-020](#)
IV-D Memorandum 2012-015